Association Européenne des Concessionnaires d'Autoroutes et d'Ouvrages à Péage

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European Commission's proposal for the long-term EU Budget – Multiannual Financial Framework – for the period 2028-2034

On 16 July 2025 European Commission President Ursula von der Leyen presented the European Commission proposal for the **Multiannual Financial Framework (MFF) 2028-2034**, amounting to almost € 2 trillion, accounting for 1.26% of the EU's gross national income on average between 2028 and 2034.

Europe faces an increasing number of challenges in numerous areas such as security, defense, competitiveness, energy and climate resilience. These are not temporary but reflect systemic geopolitical and economic shifts that have to be reflected in the EU budget.

The European Commission (EC) has proposed a thorough redesign of the EU budget and, to secure stable sources of income, it has also put on the table new own resources and adjustments to existing ones, which will ease pressure on national budgets, generating € 58.5 billion per year.

How is structured the Commission proposal for the next MFF?

The number of programmes in the next Multiannual Financial Framework has been decreased from 52 to 16. The EC has introduced harmonised and simplified rules for the management of those programmes.

The EC is proposing a seven-year MFF, from 2028 to 2034. It is structured along main categories of expenditures ('headings') and provides for a maximum amount for each of them ("ceilings"). The Commission proposal includes four headings, plus a 'flexibility instrument' and a 'Ukraine Reserve' that can provide additional funds over and above these ceilings. These elements are specified in the Regulation establishing the Multiannual Financial Framework. The headings of the proposed 2028-2034 Multiannual Financial Framework correspond to the major areas of activity financed by the EU budget, more specifically Europe's economic, social and territorial cohesion, agriculture, rural and maritime prosperity and security; Competitiveness, prosperity and security; Global Europe, and Administration.

- **Heading 1:** encompasses in particular the **National and Regional Partnership Plans** (NRPP)), to promote economic, social and territorial cohesion, sustainable development and competitiveness of the Union and its security, while supporting agriculture, rural and maritime prosperity. Frontex, Europol and other decentralised agencies related to the [use name of Pillar 1] are also included. In addition, a fixed annual amount for the repayment of NextGenerationEU is included in this heading. This amounts to € 1 trillion.

- **Heading 2** includes the **European Competitiveness Fund** and **Horizon Europe** This heading also includes key programmes to support the Union cross border connectivity (Connecting Europe Facility), preparedness and response to crises, including health (Union Civil Protection Mechanism+), as well as Europe's cross-border education flagship programme Erasmus+, and the new 'AgoraEU' that will support culture, media and civil society organisations. This amounts to € 589.6 billion.

- **Heading 3:** hosts **Global Europe**, as well as the Common Foreign and Security Policy and Overseas Countries and Territories (including Greenland). This amounts to € 215.2 billion.

- **Heading 4:** expenditures for the European Public Administration are covered here, and will amount to a stable share of 6% of the MFF. Beyond these four headings, a special reserve will be available to support Ukraine.

Lastly, **the flexibility instrument** will allow the Union to react to new and unexpected needs with funds over the expenditure ceilings.

What are the main elements of the proposal?

In legal terms, the European Commission has presented the following proposals:

- **Council Regulation establishing the Multiannual Financial Framework** + **Annex** + **Commission Communication**

- **Interinstitutional Agreement between the European Parliament, the Council and the Commission budgetary discipline, on cooperation in budgetary matters and on sound financial management**

- **Council Decision on the System of Own Resources of the European Union** (+ **Annex**)

- **Regulation of the European Parliament and of the Council establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities** (+ **Annexes**)

The Commission has also tabled the first set of sectoral regulations to govern the programmes under the next Multiannual Financial Framework:

- **Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility (CEF)** **(+ Annex)**

- **Proposal for a Regulation of the European Parliament and of the Council on establishing the European Competitiveness Fund ('ECF') including the specific programme for defence research and innovation activities**

- **Proposal for a Regulation of the European Parliament and of the Council establishing Horizon Europe** and **Proposal for a Council Decision on establishing the Specific Programme implementing Horizon Europe**

- The **National and Regional Partnership Plans and related sectoral regulations** (Cohesion policy, etc.)

How will the Multiannual Financial Framework support cross-border infrastructure?

The new Connecting Europe Facility (CEF), worth € 81.4 billion, will finance the completion of Trans-European Networks and foster the EU's green and clean transition in energy and transport.

CEF will also have a key role in ensuring investments in digital infrastructure and supporting the completion of the dual-use cross-border infrastructure for military mobility, contributing to the implementation of the Military Mobility Action Plan.

CEF-Transport

On 16 July EU Transport Commissioner Apostolos Tzitzikostas presented the next MFF and its impact on transport and tourism to TRAN MEPs. The **proposed budget earmarked for transport in the CEF** for the period 2028-2034 is **double** that of the current financial framework (2021-2027): **€51.5 billion** vs €25.8 billion. **Commissioner's presentation highlights**

CEF and military mobility

CEF will support investments in military mobility, alongside civilian infrastructure with nearly € 18 billion, an amount 10 times higher compared to the current MFF.

How will the Green Deal objectives be delivered in the next MFF?

The green transition is at the core of the next EU budget, supporting citizens and businesses towards a sustainable and resilient future by decarbonising the economy and restoring natural ecosystems.

To achieve this, the new long-term budget will include a dedicated 35% climate and environment target. Going beyond climate change mitigation and adaptation as well as biodiversity measures, the new target will support climate resilience across sectors and communities and strengthen circularity.

An upgraded monitoring system will assess how much the EU budget spends on green priorities. Tracking coefficients for climate change mitigation, climate change adaptation and resilience, and environment will enable a more robust quantification of the EU budget contribution to these policies. This will reinforce the link between "how much we finance" and "what results we have achieved", to strengthen performance in the EU budget. For example, it will be much easier to know how the budget has contributed to reducing Greenhouse Gas emissions, supporting climate resilience and preparedness measures, or restoring natural ecosystems.
There will also be a stronger link to the needs of regions in the National and Regional Partnership Plans, in line with the European Semester, the Nature restoration plans and the National Energy and Climate Plans.

How will the MFF be financed?

The EU's own resources are the main source of revenue for the EU budget, allowing the European Union to achieve its objectives and carry out its policies. There are **currently four** types of own resources:

- Traditional own resources (TOR, mainly customs duties).
- An own resource based on value-added tax (VAT).
- An own resource based on the quantity of non-recycled plastic packaging waste (Plastics, established in 2021).
- The own resource based on Gross National Income (GNI), which plays a balancing role to ensure that overall revenue matches the payments.

The Commission is proposing an enhanced package of own resources for the financing of the EU budget. This includes **five new own resources**:

- ✓ An own resource based on the current **Emissions Trading System (ETS 1).**

- ✓ An own resource based on the **Carbon Adjustment Mechanism (CBAM).**
- ✓ An own resource based on the **electrical and electronical equipment non-collected ('e-waste')**.
- ✓ A **tobacco excise duty own resource (TEDOR).**
- ✓ A **Corporate Resource for Europe (CORE)**, established as an annual lump-sum contribution by large companies operating and selling in the EU, with an annual net turnover above € 100 million.

According to the Commission's proposal, the five new own resources should be introduced as of 1 January 2028. On average, over the new MFF period 2028-2034, these new own resources, adjustments to the existing own resources and other elements of the own resources package are estimated to generate revenue of approximately € 58.5 billion per year (in 2025 prices).

What are the next steps?

The decision on the future long-term EU budget and revenue system will be discussed by Member States in the Council.
Adoption of the MFF Regulation requires unanimity, following the consent of the European Parliament.
Some elements of the revenue side (notably the new own resources) require unanimity in the Council and approval by the Member States in accordance with their respective constitutional requirements (in certain EU countries approval by the national parliament is mandatory).
For several legislative proposals the European Parliament and the Council will be placed on equal footing in the decision-making process.

Important links

***Legal Documents (legislative proposals; Commission Communications; Commission Staff Working Documents…)*:**
Multiannual Financial Framework
Budget expenditure tracking and performance framework
Connecting Europe Facility
Horizon Europe
European Competitiveness Fund
System of Own Resources

***Other links*:**
EC press release
Statement by President von der Leyen on the next long-term EU budget
Dedicated Factsheets
Website on the next MFF
Website on the EU Budget